

AIRCRAFT MAINTENANCE ENGINEERS ASSOCIATION OF ONTARIO NEWSLETTER



Our Aims: To Enhance And Protect The Values, Privileges And Rights Of The Aircraft Maintenance Engineer

September 2022

Annual General Meeting

The Annual General Meeting of the AME Association of Ontario has been planned for Monday, September 12, 2022. The meeting will be held on-line as a Google Virtual Meeting starting at 7 PM.

A “clickable link” with joining instructions is being emailed to all current members prior to the AGM. The agenda, a draft copy of the 2021 AGM Minutes, the 2021-2022 financial statement and any additional information regarding the meeting will be included.

We need more members to help the board with various projects. Transport Canada is reviewing the various training criteria both at the colleges and at AMOs. CARs amendments are being considered for regulations and licensing. Your voice could help us to formulate our recommendations in these critical areas. Whether you are a newly licensed AME or an old curmudgeon, whether you are at a small or large AMO or work independently, or a college professor – your experience and observations would be appreciated.

Please consider putting your name forward as an Area Director, a Director-at-Large or as a resource person. A commitment of 90 minutes a month (to attend a virtual board meeting) is all it takes. Contact our Nomination Committee Chair Sam Longo samlongo750@gmail.com or the association Secretary Stephen Farnworth stevefarnworth@gmail.com. Help us to make our association stronger.

JOIN THE AME ASSOCIATION BOARD OF DIRECTORS

The world is run by those who show up

Shaping the future

Have you ever been bemused when someone complains about politicians, but then admits that they don't vote? The same can be said of a lot of things including public policy, effective government, youth recreation and our profession. Decisions, policies, laws and programs are put into place by governing boards, citizen groups and professional organizations that rely heavily on volunteer leadership. It's one thing to have a good idea, but it's another thing entirely to manage, fund and determine how that idea is put into practice. Those who show up actually end up doing it all.

2022 Ontario Aircraft Maintenance Conference

The 2022 Ontario Aircraft Maintenance Conference that is being held in Toronto at the Delta Hotel on Dixon Road on November 2 and 3rd, 2022. Save the date!

**This year's theme is
Performance
Professionalism
and Pride.**



2022 AME Skills Challenge

For more information:

<https://www.ame-ont.com/events/ame-skills-challenge-2022>



Property and Automobile Insurance Rates – What's UP?

As we enter the “new normal”, you may notice that your personal insurance rates are increasing. During the height of the pandemic, insurance companies had implemented rate freezes or Covid relief measures that temporarily reduced rates. Unfortunately, that time has now passed.

Although automobile insurance somewhat stabilized, we are seeing an uptick of about 5% across all insurers depending on the driver characteristics. To offset increased premiums, you may wish to consider participating in a telematics program that assesses driving behavior. More and more companies are jumping on this bandwagon and offering this type of “individualized” rating program.

As a broker, any way to save premium is a benefit to our clients. The most popular reactions to a telematics program is “I don’t want the insurance company to know my every move!” or “it’s too much big brother for me”. Thinking that there is some little man in a room in the basement of an insurance company with a big map noting where all their customers are and what they’re doing. Fortunately, nothing could be further from the truth.

Telematics programs capture information about driving habits through movement on your phone and through GPS. The information is forwarded to a third party provider. The information is analyzed and a discount is generated. This information is sent to the insurance company. The program will measure hard braking, speeding, time of day driven and distracted driving. These are risk factors that increase the likelihood of collisions. Good driving habits will generate a discount. Distracted driving incidents *may* increase your premium by no more than 5%. Some carriers offering these programs will allow up to a 30% discount on renewal. All carriers provide an enrollment discount. It is well worth it.

The biggest premium increases are on property insurance. The pandemic created wide-spread supply chain issues and global inflation. The cost of building materials has skyrocketed. Climate change has exacerbated these issues with multiple severe weather events. From 2015 to 2018, the average for property losses across Canada was under \$1 billion. From 2018 to 2021 property losses exceed \$2 billion in Canada. 2022 will see a much higher claim cost since the Uxbridge windstorm will be in excess of \$100 million, and that’s just one event.

Accordingly, not only are property insurers increasing rates, they are also reducing coverage in some areas. Sewer Back up, overland water and water infiltration are the number one cause of loss. Certain areas will have coverage restrictions, if the coverage is offered at all. Pay close attention to the amount of coverage on your policy. Even if you’re renting or live in a condominium, you still need sewer back up and overland water coverage, especially if you have a locker in the basement of your building.

The asset of being a broker is that we can take advantage of the individual flood mapping each carrier has completed. Where one carrier restricts coverage, another will offer full policy limits, albeit at a higher premium but if you’ve ever had a basement flood, a few dollars more in premium will save you thousands in the long run.

Sound Insurance is honored to administer the Group Property and Automobile Program for AME Members in Ontario. We’d be happy to review your current policies or provide quotations.

Debbie Arnold, R.I.B. (ON), C.A.I.B.
Business Development Manager, Personal Lines

Condolences

We recently received the sad news that Dan McNiven has passed away. Many of our members either know him or know of him. He was an active member of the Association in its early days. We regularly saw him every year at the conference.

Dan worked at Wardair, Ontario Express and Air Canada. He was considered a terrific leader and Mentor in aviation maintenance. He held membership number 433 and was a Retiree.

His obituary and details of his funeral are at the following

link: <https://www.tributearchive.com/obituaries/25468277/charles-dan-daniel-mcniven>

No Respect

A recent help wanted ad distributed in an email from Wings Magazine for the WestJet Group read:

If you're ready to elevate your aviation career in a diverse and inclusive work environment—come fly with us.

- WestJet 737 First Officers
- Encore First Officers
- Licensed Airline Maintenance Engineers

An aviation magazine and a major Canadian airline both think that AME stands for Airline Maintenance Engineer. As a well-known comedian once said “we don’t get no respect!” I suppose we are so used to being disrespected, we will just ignore the mistakes. I bet if they wanted “right seat pilots” instead of First Officers there would have been questions raised.

Thank goodness there is an ongoing movement to have a recognised Aircraft Maintenance Engineer Day. This will give us a chance to have the public educated about the importance of trained, qualified licensed personnel to ensure the safe operation of aircraft in Canada and around the world. Please give this group your support and encourage those who want to join our most essential profession and our association.



Photo taken at Oshkosh 2022 by
General Aviation News columnist
William E. Dubois

AND SOUND'S INSURANCE PROGRAMS

Once a year (usually around the Ontario AME Association Conference) I like to go back and cover the basics of insurance for AME Contractors and AMOs. I find the best way to do this is by answering some of the most frequent questions I was asked over the last year.

Q1. Why do I need to buy insurance?

A1. To protect yourself.

Insurance companies and brokers spend a lot of time considering their clients' risk to ensure they're properly protected by their insurance and aren't paying for gaps or overlap in their coverage.

Q2. What is risk?

A2. Risk is the likelihood of a loss (claim) occurring, requiring restitution or payment.

While your broker should be able to explain to you how they do this, I think it's more important to understand how to analyze your risk yourself as well. This also helps you to understand what you are paying for and what may be excluded.

Q3. What is risk specifically for an AME?

A3. An AME's risk can be divided into three categories:

LIABILITY ↓	PROPERTY ↓	LEGAL COSTS ↓
<ul style="list-style-type: none"> - Any Bodily Injury and Damage to Property of others you are responsible for, resulting from: <ul style="list-style-type: none"> o Licensed and unlicensed vehicles airside o Damage to aircraft in your care o Services performed, including faulty workmanship o Sale of new and used parts, installed, or not installed 	<ul style="list-style-type: none"> - Damage to your property including: <ul style="list-style-type: none"> o tools and equipment o hangar (if you own it) o Customer's goods o Goods in transit 	<ul style="list-style-type: none"> - How much you'll need to pay for legal costs and fees.

Aviation General Liability Policies have three main coverages that cover the different risks AMEs face. They are (1) Premises and Operations, (2) Hangarkeeper's, and (3) Products Liability. Our AME Insurance Program Policies also include some coverage for your property risks and most (if not all) insurance policies provide coverage for legal costs.

1. PREMISES AND OPERATIONS LIABILITY

covers you for bodily injury and property damage that you are held responsible for anywhere (on airports or off). Including liability resulting from the use of a vehicle airside. This also covers tenants' legal liability for damage you are held responsible for in a space you are leasing or renting.

2. HANGARKEEPER'S LIABILITY

(Examples. Slip and falls on your property, driving into an airport fence, damage to a "stranger's" aircraft).

covers you for damage to aircraft deemed to be in your "care, custody, and control" (meaning your client's aircraft).

(Examples. Hangar rash, scratches and dents, total losses due to fire, avionics damaged by leak in hangar roof.)

3. PRODUCTS LIABILITY

covers you for bodily injury and property damage resulting from a service performed or something manufactured or distributed where an aircraft is damaged. Legal costs are paid whether or not you are held responsible.

(Examples. Faulty workmanship, sale of new and used parts whether or not they are installed, and Legal Costs if you are named in a lawsuit)

BONUS PROPERTY COVERAGE

covers your tools and equipment, new and used parts, and goods in transit.

(Examples. Tools being damaged in a car accident on the way to a work site, spare parts being stolen.)

BONUS SUDDEN AND ACCIDENTAL POLLUTION LIABILITY

Covers you for cleanup costs and third-party liability resulting from an accidental release of pollutants. This isn't normally a concern for an AME but is included in our program at no additional cost.

(Example. Fuel leak onto tarmac)

Insurance is there for you even when you do everything right and have taken every precaution. Sometimes a claim can still occur.

Q4. What should you do in the event of a claim?

- A4.**
1. Be safe
 2. Take all reasonable steps to prevent further damage
 3. Never admit fault
 4. Call your insurance broker
 5. Take pictures of property damage
 6. Keep thorough documentation from all parties
 7. Co-operate with the Insurance Company/Adjuster

Q5. How do I reduce my risk of a claim?

- A5.** Tips to reduce your risk of a claim
1. If you must drive your vehicle airside, use CAUTION
 2. Lock up your tools and equipment in a safe place
 3. Transport tools and equipment only when necessary
 4. Get help when moving an aircraft
 5. Purchase insurance

Starting Coverages and Limits on Sound's AME Insurance Program Policy

COVERAGE

Premises and Operations Liability

Hangarkeeper's Liability

Products Liability

Tools and Equipment Coverage

Tenants Legal Liability

Sudden and Accidental Pollution

STARTING LIMIT

\$1,000,000 Combined Single Limit, Bodily Injury and Property Damage, Each Occurrence and in the Aggregate

\$250,000 Each Aircraft & \$250,000 All Aircraft

\$1,000,000 Combined Limit, Bodily Injury and Property Damage, Each Occurrence and in the Aggregate

\$25,000 Limit

\$250,000 Limit

\$10,000 Limit

Q6. Do I need higher limits?

A6. It depends on...

...Where you go -> if you go onto international airports or around high value hangars and aircraft, consider increasing your Premises and Operations Liability. If you go to small community airports the typical requirement is \$1,000,000.

...How many aircraft do you work on and what their values are -> if you often work on aircraft over \$250,000 or have multiple aircraft waiting to be worked on or picked up, consider increasing your Hangarkeeper's Liability limit. If you usually work on one aircraft a time, go to your customer's hangars, or are more concerned with scratch and dents the starting limit should be ok.

...How much work do you do and on what -> if you're working on high value aircraft, or aircraft used by larger operators, the chance for a higher amount named on a lawsuit increases so consider increasing your Products Liability Limit. We also recommend a higher limit if you work on helicopters.

...Do you lease space? -> If you do lease hangar or office space, consider how big it is and how much damage you can do. If you think it could cost over \$250,000 consider increasing your Tenants Legal Liability limit.

...Do you own a lot of tools and equipment or keep a lot of spare parts on hand? If yes, consider increasing your Tools and Equipment coverage. We've seen more clients stocking up on supplies in the event of further supply chain issues.

...Do you perform test flights of your customer's aircraft? -> If yes, consider buying in-flight Hangarkeepers Liability. This is an optional coverage that covers you for damage to customer's aircraft during test and/or ferry flights. If flying under the aircraft owner's private aircraft insurance we recommend you obtain proof of coverage from your clients.

Q7. Is there a discount for Association Members?

A7. YES! If you are a member of an AME Association, the discount covers the cost of the membership plus more. The higher your premium the higher your discount.

To Get a Quote Contact:

Sandy Odebunmi

Vice President, Aviation

sandyo@soundinsurance.ca

416-642-6360

<https://www.soundinsurance.ca/ame-amc-insurance>

SOUND INSURANCE PRODUCTS AVAILABLE FOR AME ASSOCIATION OF ONTARIO MEMBERS

- ⚙ Aviation Liability & Property Insurance for AME Contractors
- ⚙ Home & Auto Insurance at Group Rates
- ⚙ Health & Dental Insurance Program
- ⚙ Private Aircraft and Hangar Insurance

Sandy Odebunmi • 416-642-6360 • sandyo@soundinsurance.ca
Debbie Arnold • 416-646-0155 • debbiea@soundinsurance.ca

From the Editor

Articles, questions and suggestions are welcome – please send me your comments or articles.

*A big thank you to everyone
who contributes to the newsletters.*

Stephen Farnworth
Newsletter Editor & Ontario Association Secretary
stevefarnworth@gmail.com

Getting to be that time of year when the floats come off.....

